(b) if so, whether periodic inspection are conducted to scrutinise the accounting standards, asset classification, prudential norms etc. in respect of such institutions; and

(c) the latest inspection carried out by the Reserve Bank of India on the Peerless General Finance and Investment Company Ltd. togetherwith the results thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) Yes, Sir.

(b) Yes, Sir.

(c) The latest inspection carried out by the Reserve Bank of India revealed that the company complied with the core-provisions of the directions of RBI to Residuary Non-Banking Companies. However, the company had not yet made adequate provisions against non-performing assets although it has not recognized income on such assets as per the provisions of the directions. The financial position of the company has shown improvement over the last few years but the net owned funds, as defined in the RBI Act, continued to be negative even though discernible improvement has been noticed since the last inspection.

RBI guidelines on investment norms of RNBFCs

5424. SHRI KARNENDU BHATTACHARJEE:
SHRI P. PRABHAKAR REDDY:

Will the Minister of FINANCE be pleased to state:

(a) the details of the guidelines issued by the Reserve Bank of India (RBI) regarding the manner in which funds of the Residuary Non-Banking Companies should be invested;

(b) whether it is a fact that Peerless General Finance and Investment Company Ltd. has not been following this investment pattern; and

(c) if so, the steps taken to compel the company to fall in line with investment norms?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL) (a) For the purpose of safeguarding depositors' interest, the Residuary Non-Banking Companies are enjoined upon to invest at lest 80 per cent of their deposit liabilities in the securities as per the prescribed

investment pattern. These securities are required to be entrusted to a public sector bank and can be withdrawn only for the purpose of repayment to the depositors.

(b) Reserve Bank of India has reported that the performance of the company in complying with the prescribed investment norms is considered as satisfactory from the quarter ended March 31, 1999. As against the overall minimum investment requirement of 80%, the company had invested 82.64% of the deposit liabilities as on 31st March, 1999 in approved manner.

(c) Does not arise.

Provision for employment to retiring officers in World Bank

†5425. SHRI SWARAJ KAUSHAL: Will the Minister of FINANCE be pleased to state:

(a) whether there is a provision for employment to the senior officers working in the Central Government and Reserve Bank of India in World Bank and other such bodies after their retirement;

(b) if so, the names and number of such officers who are working in World Bank and other such bodies;

(c) whether such a provision affects the style of working of retiring officers and they are attracted towards working in World Bank and other such bodies;

(d) if so, whether Government propose to take some action in order to check brain-drain in such manner; and

(e) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) Employment of officers of Central Government and the RBI after retirement in the World Bank and other such bodies are subject to Pension Rules applicable to their respective bodies.

(b) The details of number and names of such officers is not maintained by Government of India. In respect of RBI, they have granted permission to Shri V. Subrahmanyam for re-employment in National Bank of Liberia within a year of this retirement. No particulars are available with RBI in respect of officers employed two years after their retirement.

(c) to (e) Does not arise.

†Original notice of the question was received in Hindi.